

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on April 11, 2001 at 8:30 A.M., in Room 172 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Rod Bitney, Vice Chairman (R)  
Rep. Gary Matthews, Vice Chairman (D)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Roy Brown (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Dennis Himmelberger (R)  
Rep. Carol C. Juneau (D)  
Rep. Jim Keane (D)  
Rep. Rick Laible (R)  
Rep. John Musgrove (D)  
Rep. William Price (R)  
Rep. Allen Rome (R)  
Rep. James Whitaker (R)

**Members Excused:** Rep. Kathleen Galvin-Halcro (D)  
Rep. Bob Lawson (R)  
Rep. Donald Steinbeisser (R)  
Rep. Brett Tramelli (D)

**Members Absent:** None.

**Staff Present:** Gordon Higgins, Legislative Branch  
Jane Nofsinger, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing(s) & Date(s) Posted: SJ20, 4/6/2001  
Executive Action: SJ20

HEARING ON SJ20

Sponsor: SEN. JON ELLINGSON, SD33, MISSOULA

Proponents: Don Judge, MT AFL-CIO

Aidan Myhre, MT Chamber of Commerce

Bob Francisco, Workforce Investment Board

Mike Murray, Lewis and Clark Commissioner

Sheila Hogan, CTI

Jim Davidson, MT Economic Development Assn.

Sue Mohr, MT Job Training Partnership

Opponents: None

Opening Statement by Sponsor:

SEN. JON ELLINGSON, SD33, MISSOULA, said businesses have been hurt in the state by economic factors beyond their control such as low commodity prices and high utility prices. He said legislators like REP. KEANE, SEN. SHEA, and REP. LINDEEN have tried to help workers this session, but their efforts failed and the work is undone. He said 2800 workers have lost jobs since July. He said this figure did not include potential teacher layoffs. He added, "We also only know the ones brought to our attention through the media." He said, "We don't know about the farms and the ranches, so the problem is really higher." "SJ20 may still be the last chance to help," he said. He told the committee SJ20 calls for an interim study. He said interim committee get to think and work together without the partisan atmosphere of the legislature. **EXHIBIT**(buh82a01)

*{Tape : 1; Side : A; Approx. Time Counter : 18.9}*

Proponents' Testimony:

**Mr. Judge** said 2800 laid-off workers is an under-estimate and there are not enough resources to handle the demands for services.

**Ms. Myhre** thanked SEN. ELLINGSON for being sensitive to businesses and their problems. She said the interim committee should focus on new job opportunities in health services, computers and transportation.

**Mr. Francisco** said he has witnessed firsthand how the economy has suffered. He said workers are left with the choice of re-location or low wages.

**Mr. Murray** said he had been working directly with the 238 workers who had lost their jobs at Asarco. He said mostly they were in their 30's and 40's and had worked for Asarco all their life. They had no skills for other jobs, he said.

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**Ms. Hogan** said the families of Asarco were panicky because they wanted to keep their homes and stay off welfare.

**Mr. Davidson** said there is a need for dislocated workers to be re-trained in skills where they can find jobs.

**Ms. Mohr** said her training institute has had a 37% increase in enrollment over last year. This was an unprecedented increase since she began in the 1980's, she said. **EXHIBIT (buh82a02)**

**Opponents' Testimony:** None

**Informational Witness:**

**Wendy Keating, Department of Labor and Industry**

**Questions from Committee Members and Responses:**

**REP. LAIBLE** asked **Ms. Keating** was what available from the state now and how would this resolution help. **Ms. Keating** said there were several local programs, but not enough money for re-training. She said the study would determine what is available from state and local governments and identify the gaps.

**REP. JUNEAU** asked **Ms. Keating** if the DPHHS provided information on welfare and food stamps on the reservations. **Ms. Keating** said they work closely with the reservations and hopefully job training will prevent people from becoming eligible for those programs. **REP. JUNEAU** asked what happened to the health benefits of the 2800 unemployed workers. **Ms. Keating** said they lose them usually. **REP. JUNEAU** said she was amazed at the thought of them not having food and being ill so she thought welfare should immediately be a part of the program. **Ms. Keating** said she did not know.

**REP. JUNEAU** said she would like to offer an amendment to include Indian Reservation unemployment as part of the study. **SEN. ELLINGSON** said yes, the bill needed to address that.

**Closing by Sponsor:**

**SEN. ELLINGSON** thanked the witnesses and committee. He said, "Business and labor has to come together, and this study can do that for mutual economic benefit." The study can identify the availability of programs and identify unmet needs, he said. He asked them to move the bill forward and presented amendments.

**EXHIBIT (buh82a03)**

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**EXECUTIVE ACTION ON SJ20**

**Motion:** REP. BOOKOUT-REINICKE moved that **SJ20 BE CONCURRED IN.**

**Discussion:**

**REP. GALLIK** asked to committee to really try hard to get a unanimous vote on this one. He said, "There is no reason not to study these concerns because it would be a great resource for the next session."

**Motion:** REP. BOOKOUT-REINICKE moved that **SJ20 BE AMENDED.**

**Discussion:**

**REP. BOOKOUT-REINICKE** moved a conceptual amendment that included the insertion of the word "may" in the clause which said teaching jobs would be eliminated.

**Vote:** Motion **carried unanimously.**

**Motion:** REP. BOOKOUT-REINICKE moved that **SJ20 BE CONCURRED IN AS AMENDED.**

**Discussion:**

**Motion:** REP. BOOKOUT-REINICKE moved that **SJ20 BE AMENDED.**

**Discussion:**

**Mr. Higgins** said this amendment required two legislators and one member of each local board to be included in the study.

**REP. BOOKOUT-REINICKE** stated, "It said two legislators and that has been stricken so it doesn't require it."

**Mr. Higgins** said that was a good point and needs to be cleared up. He said currently there are four, and they need to clarify the intent.

**REP. BOOKOUT-REINICKE** said they should ask **SEN. ELLINGSON**.

**SEN. ELLINGSON** said the Senate amendment was drafted in Senate Business and Labor. He said it was the intent of **SEN.**

**COCCHIARELLA** that there should be two legislators and she requested that it be re-inserted.

**Mr. Higgins** said it will read "two members who are legislators."

**Vote:** Motion **carried unanimously**.

**Motion:** **REP. BOOKOUT-REINICKE** moved that **SJ20 BE CONCURRED IN AS AMENDED**.

**Discussion:**

**Motion:** **REP. JUNEAU** moved that **SJ20 BE AMENDED**.

**Discussion:**

**REP. JUNEAU** said she wanted to amend the bill "to make sure Montana Indian Reservations" are included.

**Mr. Higgins** said this amendment would be a new "whereas" clause in the preamble. The clause would state there are 47-70% unemployment rates on Montana Indian Reservations. The bill will also state there will be an additional public seat on the study board and strategies for reducing this high unemployment rate will be discussed.

**Vote:** Motion **carried 18-1 with Himmelberger voting no**.

**Motion:** **REP. JUNEAU** moved that **SJ20 BE CONCURRED IN AS AMENDED**.

**Discussion:**

**CHAIRMAN MCKENNEY** said he was not going to vote for the resolution for a number of reasons. He said he felt the resolution included and was based on some faulty presumptions. First of all, he said the tax codes and burdensome regulations had hurt Montana's economy. He said also farming has become more efficient and does not require as much manpower and land has been taken out of production. He said the decline of teaching jobs was reflective of the decline in enrollment because schools simply

need fewer teachers. He addressed page 2, line 16 of the bill which dealt with early intervention government assistance on business closures. He said, "I've closed businesses I didn't know I was closing until the last day." "A business owner always thinks they will make it until they close," he added. He said the reduction and layoffs cited were part of an economic cycle and were only a part of the picture. "Old jobs go out and new jobs go in," he said. He explained that often when a store closed in one part of the town, a new store would open in another part of town. He said this resolution is only one part of the picture and the result is not an accurate picture.

**REP. LAIBLE** said he, too, opposed the resolution. He said the proponents all told them there were programs available now, all of which were being funded in some way. He asked if the resolution was because Montana didn't have enough programs, or if it was looking for additional funding. He called it a "funding resolution." He said the list of closures included 1200 resource-based closures. "This session we have been trying to work on opening up resources," he said. He cited the case of Pyramid Lumber which was located in the middle of a forest to which it couldn't have access."

**REP. MUSGROVE** said he was appalled at the way some committee members were interpreting the information. "These agencies and organizations say they are pushed to the limits," he said, "Let's pass this resolution."

**REP. MATTHEWS** said the committee could talk all day and wouldn't change any minds. "The key is we do need to study funding these programs," he said. "The programs are not running out of people to serve, they are running out of money to serve the people," he concluded.

**REP. JUNEAU** said the handout did not include the Indian people who are unemployed. "We have passed [only] two bills to help the unemployed," she said. "I will vote for this, but reluctantly," she added.

**REP. BOOKOUT-REINICKE** said she thought the study was a good direction since five bills to help displaced workers had not gone forward.

**Vote:** Motion carried 10-9 with Bitney, Brown, Himmelberger, Laible, Lawson, McKenney, Rome, Steinbeisser, and Whitaker voting no.

**ADJOURNMENT**

Adjournment: 10:00 A.M.

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REP. JOE MCKENNEY, Chairman

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JANE NOFSINGER, Secretary

JM/JN

**EXHIBIT** (buh82aad)